IAC-M-355
5 August 1958

INTELLIGENCE ADVISORY COMMITTEE

Minutes of Meeting Held in
IAC Conference Room, Administration Building
Central Intelligence Agency, at 1045, 5 August 1958

Director of Central Intelligence
Allen W. Dulles
Presiding

MEMBERS PRESENT

Mr. R. Gordon Arneson, acting for Director of Intelligence and
    Research, Department of State
Major General Robert A. Schow, Assistant Chief of Staff, Intelligence,
    Department of the Army
Rear Admiral Laurence H. Frost, Director of Naval Intelligence,
    Department of the Navy
Major General Harold E. Watson, acting for Assistant Chief of Staff,
    Intelligence, United States Air Force
Brigadier General R. A. Breitweiser, Deputy Director for Intelligence,
    The Joint Staff
Mr. Charles H. Reichardt, acting for Atomic Energy Commission
    representative to the IAC
Mr. Meffert Kuhrtz, acting for Federal Bureau of Investigation
    representative to the IAC

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1. Approval of Minutes
29 July Meeting
(IAC-M-354)

Approved as written.

2. Situation Review

a. Watch Committee Report
No. 417

Noted.

b. Review of Sensitive Situations

The Chairman and members discussed the Taiwan Strait
situation in some detail, particularly in the light of the recent
Khrushchev-Mao meeting, military dispositions in the area and various
reports regarding the attitudes and activities of Chinese Communists
and Chinese Nationals.

The Chairman referred to developments in the Middle East
and the members exchanged views on Saudi Arabia and Iran, es-
pecially from the standpoint of the loyalty of army and security forces
to the King and Shah respectively. General Breitweiser raised a
question with regard to political instability in the Sudan. Admiral Frost
(in subsequent discussion) commented on developments in Morocco.

3. Initiation of Estimates

In the course of the discussion of sensitive situations Mr.
Smith advised the members of a Planning Board requirement for a
crash estimate on the Middle East. He noted also that a special
estimate on Indonesia was being drafted on a crash basis. The
members concurred in the initiation of these estimates and agreed
that they should be submitted for review at the next regular IAC
meeting.

The Chairman read a letter from Mr. Cumming outlining a
State Department requirement for an estimate dealing with the possible

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implications of a substantial increase in US-USSR trade. The members agreed to undertake the estimate as requested, with a tentative target date for IAC consideration of about 1 September.

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5. NIE 91-58
    The Outlook for Argentina

    a. Approved as amended.

    b. Noted the post-mortem on this estimate.

    c. Noted the validity studies on NIE 91-56, "The Outlook for Argentina," and SNIE 91-57, "The Outlook for Argentina."

    d. No member objected to the release of this estimate to USIA.

6. NIE 100-3-58
    The Nature of the Sino-Soviet
    Bloc Economic Threat in the
    Underdeveloped Areas

    a. Approved as amended. During the course of the discussion of this estimate the Chairman outlined the nature of a high-level study being made by the Business Advisory Council on the Soviet trade and aid offensive. He noted that intelligence support was being furnished to the group and stated that NIE 100-3-58 should be made available to them.

    b. Noted the findings, as amended, and approved the recommended action on the post-mortem on NIE 100-3-58.

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    c.   Noted the validity study of NIE 100-57, "Sino-Soviet Foreign Economic Policies and Their Probable Effects in Underdeveloped Areas."

    d.   No member objected to the release of this estimate to USIA.

7.   Executive Session

    At 1200 the Chairman requested an executive session.

Adjournment: 1235

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Secretary